

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

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	:	Chapter 11
<i>In re:</i>	:	
	:	Case No. 24- 12480 (LSS)
FRANCHISE GROUP, INC., et al.,¹	:	
	:	Jointly Administered
	:	
Debtors.	:	Re: Docket Nos. 1058, 1118, 1123

**FEE EXAMINER’S FINAL REPORT REGARDING
FIRST INTERIM FEE APPLICATION REQUEST OF
PERELLA WEINBERG PARTNERS LP**

Direct Fee Review LLC (“DFR”), appointed and employed as the Fee Examiner in the above-captioned bankruptcy proceedings and acting in its capacity regarding the First Interim Fee Application Request of Perella Weinberg Partners LP (the “Firm”) for compensation for services rendered and reimbursement of expenses as Investment Banker for the Official Committee of Unsecured Creditors for the compensation period from November 26, 2024 through January 31,

¹ The Debtors in these Chapter 11 Cases, along with the last four digits of their U.S. federal tax identification numbers, to the extent applicable, are Franchise Group, Inc. (1876), Freedom VCM Holdings, LLC (1225), Freedom VCM Interco Holdings, Inc. (2436), Freedom Receivables II, LLC (4066), Freedom VCM Receivables, Inc. (0028), Freedom VCM Interco, Inc. (3661), Freedom VCM, Inc. (3091), Franchise Group New Holdco, LLC (0444), American Freight FFO, LLC (5743), Franchise Group Acquisition TM, LLC (3068), Franchise Group Intermediate Holdco, LLC (1587), Franchise Group Intermediate L, LLC (9486), Franchise Group Newco Intermediate AF, LLC (8288), American Freight Group, LLC (2066), American Freight Holdings, LLC (8271), American Freight, LLC (5940), American Freight Management Company, LLC (1215), Franchise Group Intermediate S, LLC (5408), Franchise Group Newco S, LLC (1814), American Freight Franchising, LLC (1353), Home & Appliance Outlet, LLC (n/a), American Freight Outlet Stores, LLC (9573), American Freight Franchisor, LLC (2123), Franchise Group Intermediate B, LLC (7836), Buddy’s Newco, LLC (5404), Buddy’s Franchising and Licensing LLC (9968), Franchise Group Intermediate V, LLC (5958), Franchise Group Newco V, LLC (9746), Franchise Group Intermediate BHF, LLC (8260), Franchise Group Newco BHF, LLC (4123), Valor Acquisition, LLC (3490), Vitamin Shoppe Industries LLC (3785), Vitamin Shoppe Global, LLC (1168), Vitamin Shoppe Mariner, LLC (6298), Vitamin Shoppe Procurement Services, LLC (8021), Vitamin Shoppe Franchising, LLC (8271), Vitamin Shoppe Florida, LLC (6590), Betancourt Sports Nutrition, LLC (0470), Franchise Group Intermediate PSP, LLC (5965), Franchise Group Newco PSP, LLC (2323), PSP Midco, LLC (6507), Pet Supplies “Plus”, LLC (5852), PSP Group, LLC (5944), PSP Service Newco, LLC (6414), WNW Franchising, LLC (9398), WNW Stores, LLC (n/a), PSP Stores, LLC (9049), PSP Franchising, LLC (4978), PSP Subco, LLC (6489), PSP Distribution, LLC (5242), Franchise Group Intermediate SL, LLC (2695), Franchise Group Newco SL, LLC (7697), and Educate, Inc. (5722). The Debtors’ headquarters is located at 2371 Liberty Way, Virginia Beach, Virginia 23456.

2025 (“Fee Application”) seeking approval of fees in the amount of \$379,166.67 and the reimbursement of expenses in the amount of \$69,934.25, submits its final report.

BACKGROUND

1. In performance of audit procedures and in preparation of this report designed to quantify and present factual data relevant to the requested fees, disbursements and expenses contained herein, DFR reviewed the monthly fee statements and the Applications, including each of the billing and expense entries listed in the exhibits to the monthly statements, for compliance with 11 U.S.C. § 330, Rule 2016-2 of the Local Rules of the United States Bankruptcy Court for the District of Delaware, as amended February 1, 2025 (“Local Rules”), the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330, issued June 11, 2013 (“Guidelines”).
2. DFR did not prepare informal memos related to monthly fee applications of the Firm. We included our questions and issues in an initial report and this final report. We have included all responses and any recommended resolutions in this final report.

DISCUSSION

3. For the compensation period of November 26, 2024 through January 31, 2025 the Firm submitted monthly fee applications in the amount of \$379,166.67 as actual, reasonable and necessary fees and for expense reimbursement of \$69,934.25. These fees consist of fees under a fixed fee arrangement. For the Fee Application period, no amount was disclosed as related to fee application preparation. The expense reimbursement requested includes \$69,202.50 of fees for the Firm’s legal counsel.

4. We noted certain entries for the Firm's legal counsel. We requested and the Firm explained why these activities were necessary for an experienced timekeeper on this type of engagement. After review of this information, we have no recommendation for reduction of these fees.
5. We noted the overtime meal charges listed in Exhibit A. Consistent with the US Trustee, we deem overtime meal charges in excess of \$20.00 per person to be unnecessary and not reasonable. We requested and the Firm agreed to reduce these charges to this cap. We recommend that reimbursement of expenses be reduced by \$29.82.
6. Listed in Exhibit B is a travel charge for a timekeeper with limited time worked on this date. We requested that the Firm explain why this is charged to this case or withdraw it. The Firm agreed to withdraw this charge. We recommend that reimbursement of expenses be reduced by \$20.52.
7. The US Trustee expects that rail travel should be Acela class not first class. We requested that the Firm review the charge for travel listed in Exhibit C and confirm that it complies with this guideline or adjust it appropriately. The Firm agreed to reduce these charges to the equivalent of a round-trip business fare. We thank the Firm for their response and recommend that reimbursement of expenses be reduced by \$262.00.
8. Also, we requested that the Firm remove any agent's or booking fees or other unnecessary charges. The Firm agreed to remove the charge listed in Exhibit D. We recommend that reimbursement of expenses be reduced by \$16.00.

9. We noted the entries for the Firm's legal counsel that did not properly identify the participants to communications. We requested and the Firm's legal counsel identified the participants referred to as "PWP", "Katten", "Pachulski", "client" and "UCC counsel". Since there is no recommendation for reduction in these fees no exhibit has been included.
10. Our review and procedures applied to the monthly fee statements and the applications, including each of the billing entries listed in the exhibits to the monthly statements did not disclose any other material issues or questions.

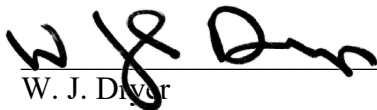
CONCLUSION

11. Regarding the application and the fees and expenses discussed in the previous sections, DFR submits its final report for the First Interim Fee Application Request of Perella Weinberg Partners LP for compensation for services rendered and reimbursement of expenses as Investment Banker for the Official Committee of Unsecured Creditors for the compensation period from November 26, 2024 through January 31, 2025 and we recommend the approval of the fees of \$379,166.67 and reimbursement of expenses in the amount of \$69,605.91 (\$69,934.25 minus \$328.34). The Firm confirmed their agreement with this recommendation.

Respectfully submitted,

DIRECT FEE REVIEW LLC
FEE EXAMINER

By:


W. J. Dwyer

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Exhibit A:

1/7/2025	Bruce Baker	Employee Meals	Dinner; One Person	\$35.00
1/21/2025	Daniel Augustine	Employee Meals	Dinner; One Person	\$34.82

Exhibit B:

12/3/2024	Bruce Baker	Employee Travel	Taxi; New York	\$20.52	2.5 hrs
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Exhibit C:

12/9/2024	Bruce Baker	Employee Travel	Train Tickets	\$543.00
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Exhibit D:

12/10/2024	Bruce Baker	Employee Travel	Train Insurance	\$16.00
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